

STATEMENT OF SENATOR BILL FRIST AT HEARING ON STB REAUTHORIZATION

Madam Chairman, thank you for holding this hearing regarding reauthorization of the Surface Transportation Board (STB). I don't know whether you know this or not, but I am the grandson of a railroad employee. My grandfather worked for the [L&N] railroad, and so rail issues have always been of great interest to me.

At the outset, let me commend Chairman Morgan for the job she has done at the STB. As the members of this Committee know, the STB in recent years has been reorganized, its work force reduced, and yet its statutory responsibilities continue in full force. Despite the funding and personnel limitations placed on it, the STB has operated efficiently and handles a significant amount of work very professionally.

I come from a State where rail service is vitally important. Tennessee is fortunate to have numerous large and small railroads, including CSX and Norfolk Southern which together operate over two thousand miles of line in Tennessee. Over 3 million freight carloads travel through Tennessee each year. Coal, chemicals, food and farm products all move over the rails in my State, and shippers there are anticipating even greater opportunities as a result of the Conrail transaction once it becomes fully effective later this year. The railroad industry employs over 5,000 Tennesseans. It is undeniable that efficient rail traffic is essential to the stable functioning of the our State's economy.

That is why, Madam Chairman, I have great concerns about efforts to re-introduce more government regulation into the railroad system. Since they were freed almost two decades ago from the onerous rules that dictated everything from where they could operate to what they could charge, the railroads in our country have come back from their near-death experience. I can remember the days when the L&N and much of the rest of the industry was deteriorating, and accidents were an

unfortunate but frequent occurrence; yet today, the successor company -- CSX -- has improved that failing system and made it an integrated part of its operations. Railroads in our country now are able to reinvest earnings in their systems to keep them operating safely and efficiently, to provide high paying jobs, and -- most importantly -- to serve customers. Much of the credit for the railroads' renaissance goes to this Committee which -- through the Staggers Act -- lifted a good bit of the regulatory burden that hemmed in the railroads and prevented them from making sound business decisions.

Yet today, efforts are underway to reimpose regulatory constraints on the railroads, and these limits will only take our rail system back to decay and inefficiency. I believe that the Staggers Act is a success story, and provides the STB with sufficient authority to address problems as they arise. We don't need to put the government back into the railroad business, and I will resist efforts to undo the gains we have made in recent years.

I will be following the testimony today very carefully, and I look forward to working with you and other members of the Committee to ensure that our laws protect the interests of shippers while at the same time allow our rail carriers to earn the revenues necessary for them to continue to operate a safe and dependable rail system.